



Compassionate
Care

Department of Public Health
Medical Use of Marijuana Program
RMD Applications
99 Chauncy Street, 11th Floor
Boston, MA 02111

MA Dept. of Public Health
99 Chauncy Street
Boston, MA 02111

FEB 5 - 2016

RECEIVED

To: Registered Use of Marijuana Program

Enclosed please find responses to the Request for Information sent on January 7, 2015. Included are:

- 1) Revised answers to the questions you indicated needed to be fixed or changed
- 2) A revised Employment and Education Form fo [REDACTED]
- 3) An independent legal opinion, as requested, for the loan from Massachusetts Recovery Services to Brighton Health Advocates, dba Compassionate Care Clinics

Please let me know if you require further information or if more clarification is necessary.

Thank you,



Application 1 of 1

Applicant Non-Profit Corporation _____

SECTION A. APPLICANT INFORMATION

1. Brighton Health Advocates Inc.
Legal name of Corporation
[REDACTED]
2. [REDACTED]
Name of Corporation's Chief Executive Officer
[REDACTED]
3. [REDACTED]
Address of Corporation (Street, City/Town, Zip Code)
[REDACTED]
4. [REDACTED]
Applicant point of contact (name of person Department of Public Health should contact regarding this application)
[REDACTED]
5. [REDACTED]
Applicant point of contact's telephone number
[REDACTED]
6. [REDACTED]
Applicant point of contact's e-mail address
[REDACTED]
7. Number of applications: How many *Management and Operations Profiles* do you intend to submit?
1

SECTION B. INCORPORATION

8. Attach a copy of the corporation's *Articles of Incorporation*, documenting that the applicant is a non-profit entity incorporated in Massachusetts.
9. Attach a copy of the corporation's *Certificate of Good Standing* from the Massachusetts Secretary of State.
10. Attach a copy of the corporation's bylaws.

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Information on this page has been reviewed by the applicant where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here [REDACTED]

Application 1 of 1 Applicant Non-Profit Corporation _____**SECTION C. NON-PROFIT COMPLIANCE**

Answer each of the questions below to explain how the Corporation will remain in compliance with the non-profit requirements of Ch. 369 of the Acts of 2012, the regulations at 105 CMR 725.000, and "Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance." Please refer to the "Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance" document in completing this form.

11. Please identify any management company that the applicant intends to utilize and summarize the terms of any agreement or contract, executed or proposed, with the management company.

Brighton Health Advocates Inc. /dba Compassionate Care Clinics (CCC) is utilizing the services of Massachusetts Recovery Services Inc. (MRS), a "Related Party Transaction" as defined by the "Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance" (hereafter "Guidance") in order to facilitate loan/investment consolidation, facilities leasing, equipment lease, supplies and limited services executed in a commercially reasonable manner.

Sublease agreements have been submitted to DPH with CCC's Siting Profile for sites: 1) Cultivation and Processing (Holliston, MA) and 2) Dispensing (Wareham, MA). Documentation of comparable lease listings/rates in each area have been retained to demonstrate adherence to tenets of "Guidance."

For loan documents between CCC (BHA) and MRS, please see DPH update submitted May 23, 2014 Exhibit B "Allonge to Promissory Note" and Narrative explanation to changes in interest rate. A legal opinion is attached regarding compliance to CMR 105 725.000 as well as "Guidance."

For any contracts for which there exists a competitive market, CCC will retain competitive bidding documentation and supporting materials if the "Related Party" is selected and demonstrate adherence to all compliance.

Application 1 of 1

Applicant Non-Profit Corporation _____

12. Please identify any agreements or contracts, executed or proposed, in which the applicant will engage in a Related Party Transaction and summarize the terms of each such agreement.

- 1) CCC and MRS (aforementioned Related Party) have executed a 48 month promissory note in the amount of \$550,724 originally at an interest rate of 6%. The interest rate of this loan was adjusted to 18.5% when CCC rescinded the original management agreement between CCC and MRS, reflecting the risk to MRS. Please see DPH update submitted May 23, 2014 Exhibit B "Allonge to Promissory Note" and Narrative explanation to changes in interest rate. See attached legal opinion.
- 2) Sublease agreements have been submitted to DPH with CCC's Siting Profile for both sites: 1) Cultivation and Processing (Holliston, MA) and 2) Dispensing (Wareham, MA). Documentation of comparable lease listings/rates in each area have been retained to demonstrate adherence to tenets of "Guidance."
- 3) CCC intends to lease equipment and hardware from MRS or some other commercial entity at rates commensurate with commercially reasonable alternatives. Such terms would reduce the cash-flow requirements for CCC and would result in reasonable payoff schedule which would be presented to DPH for review and pre-approval. No equipment lease agreements have been made to date.

Legal counsel will present opinions for all contracts to ensure "Guidance" compliance.

Application 1 of 1

Applicant Non-Profit Corporation

13. Please identify whether any members of the Board of Directors are also serving as employees of the proposed RMD and, if so, their title and role with the proposed RMD.

[REDACTED] is CFO, COO and is a sitting member of the Board of Directors.
[REDACTED] Executive Director/CEO and a sitting member of the Board of Directors.

Application 1 of 1 Applicant Non-Profit Corporation _____

14. Please identify whether any members of the Board of Directors are serving as officials, executives, corporate members or board members for any management company, investor or other third party proposed to contract or otherwise conduct business with the proposed RMD.

██████████ is CEO, COO and a sitting Board Director and is also President and Chairman of the Board of Directors for M██████████ will recuse himself from all agreements considered by CCC in regards to contracts and services provided by MRS to CCC.


Information on this page has been reviewed by the app██████████ here provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory her██████████

Application 1 of 1

Applicant Non-Profit Corporation _____


15. Please identify any contract or agreement, executed or proposed, under which a percentage or portion of the applicant's revenue will be distributed to a third party and summarize the terms of any such agreement or contract.

The applicant agrees and attests that it will operate in compliance with all applicable state laws and regulations, including, but not limited to, laws regarding child support and taxation, as well as the "Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance."


2/4/16

Date Signed

Executive Director


Print Name of Authorized Signatory_____
Title of Authorized Signatory

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20. Describe the experience, and length of experience, of the Corporation's individual/entity responsible for marijuana for medical use cultivation operations and individual/entity responsible for the RMD security plan and security operations with providing services for marijuana for medical purposes.

██████████ Director of Security is a Licensed Private Detective, with a Master's Degree in Criminal Justice and a Bachelor's in Communications. He retired from the Massachusetts State Police as a Sergeant after 25 years of service. ██████████ brings a vast amount of expertise providing protection and security to the public. For the final 4 years of his State Police tenure, ██████████ was a mentor at the North Middle School in Brockton, MA. He has extensive interpersonal and public relation skills and experience in supervision, training and recruitment. He will work closely with local and state law enforcement to implement policies and procedures to ensure the safety and security to the staff, patients and community.

CCC will rely on the advice and intellectual property of Verdure, Inc. (and ██████████). In 2010, ██████████ successfully managed the launch of a State-licensed dispensary in Maine (Maine Organic Therapy, Inc.). In 2014, ██████████ successfully managed the launch of the first fully-licensed RMD in Massachusetts (Alternative Therapies Group, Inc. ██████████ still actively supporting the management of both operations. Additionally, CCC will utilize the expertise of ██████████ also of Maine Organic Therapy. ██████████ has over 15 years' experience in cultivating marijuana for medical use and earned a Master of Science degree in Plant Biology.

██████████ CCC Cultivation Manager is an expert cultivator of Medical Marijuana, having held the position of Cultivation Manager for Greenleaf Compassionate Care Center in Rhode Island and as a personal caregiver for patients for over 5 years. ██████████ has extensive experience operating large cultivation facilities. ██████████ has studied marijuana for medicinal use for over 30 years and has an exceedingly detailed understanding of the medicinal attributes of various strains of cannabis.

Application 1 of 1

Applicant Non-Profit Corporation _____

30. Provide a summary of the RMD's operating procedures for maintaining confidentiality of registered qualifying patients, personal caregivers, and dispensary agents, as required by law.

Patient Record Keeping System

All patient and caregiver related information held by CCC is confidential and will not be disclosed without the prior written consent of the individual to whom the information belongs or if a mandated release of information is issued under court order.

- a. We will utilize MJ Freeway™, which provides the medical marijuana industry's most sophisticated all-in-one cloud-based patient tracking software system. MJ Freeway™ is fully HIPAA compliant.
- b. Access to our database will be limited to key personnel by pass code.
- c. We will utilize the DPH's electronic registration and dispensing tracking system in full compliance with DPH requirements.

Patient Privacy

We will strictly follow HIPAA requirements as well as confidentiality requirements outlined in 105 CMR 725.200. Our privacy plan includes but is not limited to the following:

- Limited staff access to patient data and video recording. Recording will be provided only on a need-to-know basis as determined by our CEO.
- Mandatory and on-going HIPAA training for all staff and agents using a certified online HIPAA training module.
- A description of required information to be gathered from patients as well as forms and documents, as needed, to gather said information in compliance with HIPAA.
- Procedures for handling and storing confidential information for all RMD agents.

All records regarding Dispensary Agents will maintain compliance with 105 CMR 725.105(1)(4).

Application 1 of 1 Applicant Non-Profit Corporation _____

31. Provide a summary of the RMD's personnel policies.

Written Policies:

The RMD's written policies address the Family and Medical Leave Act (FMLA), the Consolidated Omnibus Budget Reconciliation Act (COBRA), equal employment opportunity, discrimination, harassment, the Employee Retirement Income Security Act (ERISA), disabilities, maintenance of personnel files, privacy, email policy, 105 CMR 725.000 et. seq., holidays, hours, sick time, personal time, overtime, performance reviews, disciplinary procedures, working hours, pay rates, overtime, bonuses, veteran preferences, drug testing, personnel policies, military leaves of absence, bereavement leave, jury duty, CORI and background checks, smoking, HIPAA, patient confidentiality, and compliance hotline.

Drug Testing:

CCC requires drug testing as a condition of employment and will require subsequent testing during the employees' term of employment.

Postings:

CCC complies with both the Commonwealth of Massachusetts and federal requirements for workplace postings.

Investigations:

CCC sets forth policies and procedures to investigate any complaints or concerns identified or raised internally or externally in order to stay in compliance with 105 CMR 725.000 et. seq.

Designated Outside Counsel:

CCC will maintain on retainer counsel specializing in employment law to assist the HR Department with any issues and questions.

Application 1 of 1 Applicant Non-Profit Corporation _____

33. Provide a summary of the RMD's operating procedures for record keeping.

Record Keeping Systems

All record keeping procedures and policies will be compliant with 105 CMR 725.105(1):

- a. All patient and caregiver related information held by CCC is confidential and will not be disclosed without the prior written consent of the individual.
- b. We will utilize MJ Freeway™, which provides the medical marijuana industry's most sophisticated all-in-one cloud-based patient and inventory tracking software system. MJ Freeway™ is fully HIPAA compliant. Its state-of-the-art servers are protected by biometric locks and 24-hour surveillance. Their software and infrastructure are updated regularly with the latest security patches. Their network is protected by an enterprise-class firewall to ensure data safety and all patient data are encrypted.
- c. Access to our database will be limited to key personnel by passcode, and access permissions to protected electronic patient files will be administered by the CEO.
- d. We will utilize the DPH's electronic registration and dispensing tracking system in full compliance with DPH requirements.
- e. Business records will be password-protected and stored on secure servers.
- f. Paper files will be stored in locked file cabinets. However, CCC intends to minimize all paper documents. Paper documents will be scanned and stored on servers and then shredded.

Application 1 of 1

Applicant Non-Profit Corporation _____

36. Provide a summary of the RMD's policies and procedures for the provision of marijuana for medical use to registered qualifying patients with verified financial hardship without charge or at less than the market price.

CCC complies with requirement listed under 105 CMR 725.000(A)(6) to "provide reduced cost or free marijuana to patients with documented verified financial hardship."

1) Determination of Financial Hardship

a. CCC determines financial hardship in adherence to 105 CMR 725.000 definition of Verified Financial Hardship as stated: "Verified financial hardship means that an individual is a recipient of MassHealth, or Supplemental Security Income, or the individual's income does not exceed 300% of the federal poverty level, adjusted for family size." The following hardship provisions will be available per rolling 30-day period. All patients receiving free or reduced medicine benefits will have their benefit tracked internally in order to prevent abuse.

2) Pricing Methodology

a. CCC has developed a sliding scale for patients qualifying for the Verified Financial Hardship program. The sliding scale has three tiers based on FPL income: Tier 1= <100%, Tier 2= 101-200% and Tier 3=201-300% FPL. Patients will receive a 30-day allotment of free marijuana and a discount on up to 2 ounces of marijuana or MIP equivalents thereafter.

b. Patients without proof of income (but qualify under SSI or MassHealth) will automatically receive benefits at Tier 3 level.

c. All patients with proof of financial hardship will be offered use-implements such as vaporizers at 10% above cost.

d. Eligible patients will receive secure lock boxes for safe home storage at CCC cost.

Application 1 of 1 Applicant Non-Profit Corporation _____

37. Provide a summary of the training(s) that the RMD intends to provide to Dispensary Agents.

Please refer to Phase II application submitted by Brighton Health Advocates Inc. on November 11, 2013, questions 6.5 for detailed agent trainings; and question 7.15 for Emergency Preparedness and Disaster Plans. Additionally, agents will be receive trainings including but not limited to proper protocols related to 1) Adverse Incidents, 2) Consumer Complaints, 3) Operational Concerns, 4) Documentation, 5) Reporting and 6) Corrective Actions.

CCC will ensure compliance with 105 CMR 725.105(H) as stated: "Dispensary Agent Training. RMDs shall ensure that all dispensary agents complete training prior to performing job functions. Training shall be tailored to the roles and responsibilities of the job function of each dispensary agent, and at a minimum must include training on confidentiality, and other topics as specified by the Department. At a minimum, staff shall receive 8 hours of on-going training annually."

Application 1 of 1

Applicant Non-Profit Corporation _____

38. Will the Corporation provide worker's compensation coverage to the RMD's Dispensary Agents?

Yes ☒ No ☐

39. Will the Corporation obtain professional and commercial insurance coverage?

Yes ☒ No ☐

40. Describe the Corporation's plan to obtain liability insurance or place in escrow the required amount to be expended for coverage of liabilities.

We will maintain superior insurance in any event of injury on the premises, during transportation of medicine and liability from consumption of defective product. General liability coverage will be a minimum of \$1 million per occurrence and \$2 million in liability insurance in aggregate annually pursuant to 105 CMR 725.105(Q)(1), with a policy deductible no greater than \$5,000 per occurrence. Product liability will also meet (or exceed) the minimum \$1 million per occurrence and \$2 million in aggregate annually. Companies included in the competitive bidding process included Corcoran & Havlin Insurance Group, GP Insurance Providers, Insurance West, Inszone Insurance and Cannassure Insurance Service. Annual premiums range from \$8,879 to \$18,000. Coverage includes the following:

- General Liability: \$1M Each Occurrence / \$2m General Aggregate annually
- Workers Compensation
- Builders Risk - If a new facility is being built by the applicant
- Property Insurance, including but not limited to Building Coverage, Business Personal Property, Business Interruption and theft.
- Product Liability
- Employee Practices Liability
- Live Plant Coverage
- Directors & Officers Liability
- Professional Liability Insurance (Errors and Omissions)

CCC will also maintain professional liability / malpractice coverage levels of \$1 million per occurrence and \$3 million in aggregate annually.

Information on this page has been reviewed by the applicant, and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here gms

Application ¹ of ¹

Applicant Non-Profit Corporation _____

ATTESTATIONS

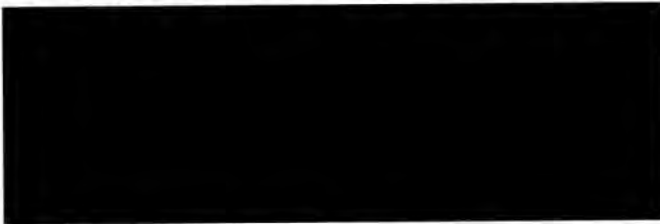
Signed under the pains and penalties of perjury, I, the authorized signatory of the non-profit applicant corporation, agree and attest that all information included in this application is complete and accurate and that I have an ongoing obligation to submit updated information to the Department if the information presented within this application has changed.

2/4/16
Date Signed_____
Print Name of Authorized Signatory

Executive Director

Title of Authorized Signatory

I hereby attest that if the corporation is allowed to proceed to submit a *Siting Profile*, the corporation is prepared to comply with all *Siting Profile* requirements.

2/4/16
Date Signed_____
Print Name of Authorized Signatory

Executive Director

Title of Authorized Signatory

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Applicant Non-Profit Corporation _____

SECTION D. EMPLOYMENT AND EDUCATION FORM

This Employment and Education form must be completed and signed by each of the following individuals: The Corporation's Chief Executive Officer, Chief Operations Officer, Chief Financial Officer, individual/entity responsible for marijuana for medical use cultivation operations, and individual/entity responsible for the RMD security plan and security operations. Submit one Employment and Education form for each of the above individuals when submitting a *Management and Operations Profile* to the Department of Public Health.

Name**Residential Address****Title (at applicant non-profit corporation)**

Director of Security

Name of Applicant Non-Profit Corporation

Brighton Health Advocates, Inc.

Highest Education Attained – Institution, Degree, and Year

Master of Science- Criminal Justice- Anna Maria College, Worcester, MA 1992

Applicant Non-Profit Corporation _____

Past 10 Years of Employment by Employer, Title and Time Period. List chronologically, beginning with most recent employment. Add more forms if space is needed for additional employment history entries.

Employer	Title	Time Period
Massachusetts State Police, Framingham, MA	Sergeant	2004 - 2013
Massachusetts State Police, Middleboro, MA	State Trooper	1998 - 2004

Signed under the pains and penalties of perjury, I agree and attest that all information included in this form is complete and accurate.

1-14-2016
Date Signed